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Governor

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ALAN R. COYNER
Administrator

ACTIVITY AND ACHIEVEMENTS

August 2011

ADMINISTRATION (ALAN)

1. Participated in conference call with CA AML reps concerning the NAAMLPLP meeting.
2. Participated in monthly IOGCC Steering Committee conference call.
3. Assisted Newmont with "Stay Out and Stay Alive" information for a display cabinet in the Elko Convention Center.
4. Did follow-up on an AML incident near Ely.
5. Discussed hosting the 2013 IOGCC annual meeting with California representatives.
6. Submitted the changes to the Record Retention Schedule for approval.
7. Communicated with the Nevada Excellence in Mine Reclamation concerning possible awards and finalized the projects that will receive awards.
8. Collected relevant documents concerning the state appeal to the Supreme Court of the additional mining claim fee.
9. Attended the GSN summer meeting in Reno.
10. Attended the NBMG Advisory Board meeting in Reno.
11. Attended the BLM Geothermal Bonding workshop in Reno.
12. Examined several mining documents from Mexico for the Secretary of State's Securities Investigation Division.
13. Revised the Division's Prohibitions and Penalties document.
14. Discussed requirements for bond refunds with the Controller's Office.
15. Discussed the accident involving a domestic geothermal well in Stillwater with Commissioner Snow and Lowell Price.
16. Annual leave.

RECLAMATION BOND POOL (DOUG)

1. Issued notice level bonds for Agnico-Eagle, White Horse Gold LLC, Cordex and Mohawk Drilling.
2. Processed a release of notice level bond for Redstar, Western Energy Development Corporation, The Doe Run Resources Company (pending their obtaining a vendor number), Miranda Gold and Agnico-Eagle.
3. Processed a notice level bond reduction for Cordex.
4. Received word from NDEP that Art Wilson needs to increase the bond at the Adams claim gypsum mine from \$77,113 to \$227,396. Calculated the new deposit and premium.
5. Spoke with Atanda and Elaine at the BLM about our proposed increase of authority to \$3 million for notice level bonding and sent more information to them.
6. Prepared invoices for bond pool participants on a quarterly schedule.
7. Prepared and submitted a work program to carry forward the bond pool's budget from FY-11 to FY-12. (This had already been done once, but the Treasurer's interest distribution was put in FY-11, so that amount had to be carried forward). Completed the closing documents for the FY-11 year for the bond pool.

MINING, LAND AND OTHER ISSUES (DOUG)

1. Provided mineral production information to Casey Baker of NV Energy.
2. Worked on the Exploration Survey.
3. Completed and submitted a work program to increase spending authority by \$100,000 for MacKay recruitment and retention, \$50,000 for NBMG, \$5,425 for the 4th Ward School AML exhibit, \$200,000 for AML contracts, and \$7,964 to true up the \$2/claim filing payment to MacKay. This will require IFC approval, expected to be in November.
4. Travelled to Virginia City via the train to see what AML sites were visible from the route. Saw the completed bat cupola in front of the 4th Ward School and visited the Combination Shaft.
5. Completed the paperwork for the BLM \$1,000 grant in support of AML.
6. Updated the mining section for the Treasurer's annual report.
7. Ordered the reclamation award plaques.

AML / PUBLIC AWARENESS - NORTH (MIKE)

1. Utilize newly acquire downhole camera to investigate the Chollar mine shaft at site of cupola construction, ST-80. 80 degree incline limited the depth the camera could safely travel to just 73 feet. A ledge or landing was visible at about 80 feet, but additional depth determinations could not be ascertained. A plastic pipe housing to protect the camera was built and successfully field tested.
2. Assisted and supervised the bat cupola construction by Environmental Protection Services at ST-80. EPS completed construction and began applying an acid wash to promote a rusty appearance as requested by the Comstock Historical Society.
3. Completed preliminary itinerary for Yerington/Anaconda mine tour for NAAML and spoke with NDEP and EPA regarding tour specifics.
4. Communicated with Pete Herrera regarding his interest in amending current contract to expand AML work in southern Nevada. While interested, he'd need to increase various daily and charge rates. Requested he submit a new rate schedule for review.
5. Drive to Schurz with Rachel and contractor Paul Malone to review Paul's effort to extract useable data from a 2000 BLM report on AML hazards on Walker River Paiute Tribal lands. Met with Vicki Moyola and Fawn Bolton and discussed plans for site visits and incorporating NDOM logging criteria to site evaluations. Site visits planned for the next two weeks while Paul is still working prior to returning to school.
6. Spent three days logging hazards and non-hazards on Walker River Paiute Tribal lands near Schurz. Trained contractor Paul Malone and Fawn Bolton on NDOM logging and securing protocols. Summer interns Murya Dube and Natalie Misiewicz assisted on one day. Fawn was provided with a spreadsheet template for tracking purposes and estimating the anticipated securing costs for hazards identified during current field work. So far, of 23 sites identified in the 2000 BLM report, 17 are currently considered hazards.
7. The summer interns safely concluded 14 weeks of work for the Division with over 200 securings, over 300 new hazards and nearly 2,000 non-hazards identified, plus revisits and repairs to nearly 400 sites. All field data was entered into the various databases, maps filed, photos archived and trucks cleaned up.
8. Assisted NDOW biologist Jenni Jeffers with external bat surveys at the Combination shaft in Virginia City.

9. Two shallow shafts and one adit were closed with polyurethane foam and dirt fill in Washoe County with assistance from the interns.
10. Katie Miller (NDOW-Elko) submitted a packet with information on 35 newly logged hazards (by BLM and NDOW) near Tuscarora planned for hard closure in the near future. All the data was entered into the databases.
11. Geotemps contractors Kelly August (in Las Vegas) and Paul Malone (in Carson City) finished their employment with the Division, having entered innumerable amounts of data and provided much needed assistance to the NDOM staff.
12. Traveled to McDermitt to tour the abandoned Cordero mercury mine with representatives from NDEP, EPA, BLM, Sunoco, and their contractor The Source Group. Several previously inventoried AML hazards were visited and closure options discussed. A subsequent trip to conduct additional inventory work found three more (20 total) and 27 old open drill holes. Logged seven non-hazards.
13. Communicated with Wright Parks and Alan Day regarding AML inventory work at and around the Olinghouse mine. Set-up dates next week with Mitch Fanning on-site to assist contractor Brian Breiter with acquisition of AML features.
14. Assisted Jenni Jeffers (NDOW-Fallon) with set-up of their remotely operated camera system for use in conducting external nighttime bat surveys.
15. Traveled to Kaiser and Broken Hills mines in Mineral County to revisit AML features for current securing status and review of bat habitat potential. 17 sites were revisited, repairs were made to six. Logged three non-hazards. Utilized downhole camera on shaft MI-416. 155' deep, fully timbered, shaft with 2 opposing drifts at bottom. Wooden ladder extends to the bottom. Three bats observed.

AML / GIS (RACHEL)

1. Created maps for the summer interns to use in the field. Created spreadsheets showing hazards to secure and revisits. Uploaded the GPS units for use in the field.
2. Assisted the interns in starting work on secured hazard information received from Pilot Gold. The company secured over 100 hazards – the majority had not been investigated by NDOM. The interns began creating new hazard ID sheets and labeling photos so that we have a record of these sites being secured. This area will need to be field check in the future in order to collect any additional information that is needed.
3. Received new hazard information at the Robinson Mine from Katie Miller. Worked on identifying these hazards to determine if they had previously been logged.
4. Worked with Geotemps contractor Paul Malone to prep maps and spreadsheets he has been working on for AML on Walker River Paiute Tribe land. Showed Paul how to build maps in ArcGIS and how to create shape files from existing excel spreadsheets.
5. Accompanied Mike Visser and Paul Malone to the Walker River Paiute Tribe in Schurz to discuss options for logging and securing hazards on tribal land that were inventoried by the BLM several years ago. Sent additional information regarding these sites to the people that will be working on this project.
6. Worked on creating maps and shapefiles for use with the Walker Lake Paiute Tribe. They have been working on addressing hazards on reservation land that were previously logged by BLM.
7. Worked with the interns during their final week of summer employment to tie up all loose ends with any data entry that was not completed during the summer.

8. Traveled with the summer interns to the Peavine, Spanish Springs and Perry Canyon areas in order to complete foam closures of AML features. Sealed 3 sites and conducted revisits and documented the changes.
9. Created a map showing hazards around the Hycroft Mine as requested by Dave Worley. They are interested in finding a more permanent way to secure these features.
10. Worked on resolving issues with unsecured hazards on claims controlled by UNR in Eureka County. These claims were donated to the school and were revisited by NDOM summer interns in 2006. Work will need to be done to determine which ones have been secured and this information will need to be updated in our database.
11. Received a list of the hazards on the BLM's list of Northern Nevada Closures. This list will be used to determine the areas that BLM is planning on securing and it will help to direct our efforts to the areas that are not on this list.
12. Spoke with A. J. Mitchell with BOR regarding the BLM spreadsheet showing the hazards that will be closed in the near future. Requested additional information from NDOM including hazard ID sheets and any additional information about the mine features. Worked on compiling this information and sent the updated data back to him.
13. Queried the database and generated a map showing the unsecured moderate and high hazards present throughout the state. Broke this dataset into two maps showing work that will need to be completed in Southern Nevada vs. the work in Northern Nevada.
14. Conducted land status research for the sites logged at the Cordero Mine near McDermitt. Compiled all the necessary information and sent a hazard notification packet to the owners.
15. Spoke with several claimants regarding the status of their securing work on claims with abandoned mine land features. Sent additional information to claimants requesting maps and photos.
16. Traveled on the V&T Railroad with the summer interns and some NDOM staff from Carson City to Virginia City. Toured the 4th Ward School, visited the bat cupola and the Combination Shaft. Additional warning signs were posted on the fence surrounding the Combination Shaft.
17. Worked on planning the Virginia City tour for the NAAMLPP conference in October.
18. Contacted Janet Jones with the Virginia and Truckee Rail Road in order to discuss final plans for the NAAMLPP conference. Also spoke with her about planning a one way trip with a group of NDOM employees and Summer Interns in order to evaluate the route and determine areas to focus on during the conference tour.
19. Began working on querying the database in order to determine any sites in Washoe, Storey, Carson, Lyon and Douglas Counties that will need to be revisited.
20. Worked on correcting mistakes in the database created by the summer interns. This will be an ongoing process as more data is updated and reviewed. Reviews the database to make sure that all information is current and had been updated so that Debbie Selig and I can start working on sending out a round of AML Notification Letters.
21. Responded to the BLM regarding missing UTM's for sites in Humboldt County.
22. Updated securing information received from claimants. Added securing information to the database, updated UTM data, and added the photos to the archive.
23. Received a request from SRK Consulting for AML data collected by NDOM in their project area. They are planning on surveying these sites so that they can secure any hazards on their property.

AML / PUBLIC AWARENESS - SOUTH (BILL)

1. Recorded 27 unsolicited securings from Scorpio Gold (US) Corp. – Mineral Ridge Mine – Esmeralda County. 8 of the hazards were previously logged, 19 were issued new hazard inventory numbers.
2. Received permanent closure information for 7 Clark County AML hazards from BOR.
3. Participated in disposal of approximately 200 lbs. of old dynamite at the Bay State Mine in western White Pine County. BATFE was in charge of the operation supported by BLM, White Pine and Eureka County sheriff deputies and BLM fire crew from the Ely field office. The material was safely and successfully destroyed.
4. Toured Gypsum Ridge (Arden Mine) mine closure areas with Las Vegas office staff and with David Carlson of the Clark County Comprehensive Planning Department. Witnessed completion by BOR of an adit closure with two 36” culvert gates, one completed bat gate and one under construction.
5. Investigated and ranked two hazards and logged one non-hazard in White Pine County.
6. Conducted follow-up investigation on an incident of a dog rescued from a mine shaft near Ely on July 18, 2011. The shaft was identified and confirmed to be WP-60 and located on a patented mining claim. It had been documented as fenced in 1990 (photos from owner). The fence is now gone. A notification letter is on its way to the current owner requesting that the shaft be re-secured.
7. Work on logging and data entry for new solicited and unsolicited AML securings sent in by claimants in Esmeralda and Nye Counties
8. Conducted land status research to update current ownership of unpatented claims on BLM lands in White Pine County for AML hazards proposed for permanent closure.
9. Received closure reports for 5 AML sites secured by BOR at the Arden Mine, Gypsum Ridge, Clark County
10. Worked on data and photo entry for AML site re-visit work conducted by Pete Herrera during July 2011.
11. Met with four employees of the Clark County Comprehensive Planning Department at the Gypsum Ridge/Arden Mine site to observe recent AML closures completed by BLM/BOR. Visited the AML hazards located on Clark County surface estate and discussed closure options.
12. Participated in the bi-monthly conference calls for status and progress of AML closure projects in Clark, Lincoln, White Pine and Northern Nevada (BLM, USACOE and BOR).
13. Prepared and sent an AML securing project package to new Eagle Scout candidate Corey Davis (#148).
14. Presented “Nevada Mining History”, “Minerals and Commodities”, “Birdseed Mining” and AML to 8 participants at Old Mormon Fort State Park, Las Vegas.
15. Prepped materials for Festival in the Pines, scheduled for Saturday, August 6.
16. Manned display featuring Nevada mining, minerals and commodities and AML at Festival in the Pines at Lee Canyon Ski and Snowboard Park, Mt. Charleston. Visited by approx. 150 persons.
17. Met with McCaw School of Mines executive director and docents to observe new exhibits and improvements made over the summer.
18. Met with Tonopah Historic Mining Park board member Mimi Rodden to discuss current status and future planning at the Mining Park.

19. Manned display featuring Nevada mining, minerals and commodities and AML for the “Second Saturday Salon” program at the Red Rock NCA Visitor’s Center. Visited by 75 persons.
20. Took V&T Railroad tour with the 2011 summer intern crew. This was a dry run for the October NAAML P Virginia City field trip.
21. Prep materials for Nye Gold Seekers presentation scheduled for Saturday, August 20. Geotemps intern Kelly August terminated on Friday, August 19 to return to school at MSESE.
22. Presented “Minerals and Commodities”, “How Gold is Produced in Nevada” (Newmont’s video) and AML at the August meeting of the Nye Gold Seekers prospectors club in Pahrump. Attended by 80 club members and guests.
23. Assisted the Nye Gold Seekers in securing two AML hazards on the club’s placer claim near Johnnie, Nye County. One of the openings was already adequately secured by unknown person(s), the other was fenced by club members.
24. Attended a Nevada Mining Association Education Committee meeting in Reno. Plans underway for the 2012 earth science education workshops for teachers.

GEOHERMAL (LOWELL)

1. Reviewed Magma Energy’s sundry notice to run a gamma ray log in Soda Lake TG 88-27. Alan approved.
2. Reviewed Gradient Resources permit application and drilling program for Patua II TG 36-5, TG 35-33, and TG 88-33 temperature gradient holes. All holes are proposed to drill to 1,000 feet total depth. Alan approved.
3. Reviewed TGP Dixie Developments sundry notice to alter drilling program in the Coyote Canyon 58-22 observation well. BLM concurred with operation. Alan approved.
4. Reviewed Nevada Geothermal Power’s verbal request to utilize brine fluids from Brady Power Partners Brady plant to drill the North Valley 25-31 observation well. Discussed with Russ Land at UIC. Request was denied.
5. Reviewed Ormat Nevada’s paperwork to transfer the ownership of eleven Jersey Valley geothermal wells and the Jersey Valley Project area to ORNI 15 LLC. Alan approved.
6. Reviewed OroVaca Ranch permit application and drilling program for the TG 1 well in Humboldt County, north-northeast Battle Mountain. Proposed total depth is 500 feet. Doug approved.
7. Reviewed Magma Energy’s sundry notice to run a injection/tracer test in the Soda Lake Field. Concurred with Russ Land at UIC. Doug approved.
8. Reviewed Gradient Resources Patua 85-19 production well permit application and drilling program. Proposed total depth is 11,000 feet TVD. Doug approved.
9. Reviewed US Geothermal’s sundry notice to move the drilling location for the OB 8 observation well approximately 600 feet west of the permitted location. Doug approved.
10. Reviewed Magma Energy’s sundry notice to substitute tracer chemicals for the approved injection/tracer test in the Soda Lake Field. Substitution was requested due to chemical availability. Concurred with Sam Stegeman at UIC during Russ Land’s absence. Doug approved.
11. Reviewed ORNI 15’s (Ormat Nevada) 14-34 injection well permit application and drilling program. Concurred with Russ Land and BLM. Proposed total depth is 4,000 feet. Alan approved.

12. Reviewed Veteran Administration's permit application and drilling program for the Reno VA Hospital Geothermal Well 002 production well (commercial well). Proposed total depth is 4,400 feet. Doug approved.
13. Reviewed Gradient Resources sundry notice to deepen the Patua 16-29 production well. Doug approved.
14. Reviewed Gradient Resources request for the transfer of ownership of the thirty-six wells and permits for Patua from Gradient Resources to Patua Project LLC. Linda coordinated all of the transfers. Alan approved.
15. Reviewed TGP Dixie Development's sundry notice to revise drilling program for the Coyote Canyon 58-22 observation well. Alan approved.
16. Reviewed Ormat Nevada's permit application and drilling program for the Leach Hot Springs 75-31 observation well. Proposed total depth is 3,500 feet. Doug approved.
17. Wells drilling: Gradient Resources Patua 16-29 production well; Gradient Resources Patua II 58-29 production well; Gradient Resources Patua II TG 77-31; Gradient Resources Patua II TG 26-3; Gradient Resources Patua II TG 26-31; Gradient Resources Patua II TG 35-33; Gradient Resources Patua II TG 88-33; Ormat Nevada Tungsten Mountain TG 65-22; Ormat Nevada Tungsten Mountain TG 45-22; Ormat Nevada Dead Horse 54-11 and 54-11 ST1; TGP Dixie Valley 58-22 observation well (2,837', polishing off kickoff cement plug, preparing to sidetrack); Nevada Geothermal Power North Valley 25-31 observation well.

OIL AND GAS (LOWELL)

1. Wells being worked over: HBF Charity #2; Emergent Value FLT 1; VF Neuhaus East Hogback 31-2.
2. Reviewed Independence Drilling/Desert Discoveries sundry notice to perform acid job. BLM approved. Doug approved.

OTHER (LOWELL)

1. Attended the Gradient Resources Patua Power Plant groundbreaking ceremony on Tuesday, August 16th.
2. Set up NDOM's booth for the Geothermal Energy Association 1st Annual Conference on Tuesday, August 16th. Worked the booth during the conference on Wednesday, August 17th.
3. Met with Russ Land (UIC), John Menghini (BLM), Darrell Carter (BLM), Donna Grill (BLM), and Rick Taylor (Western General Energy) concerning the Kate Springs Wheel of Fortune 1-10 well on Monday, August 22nd